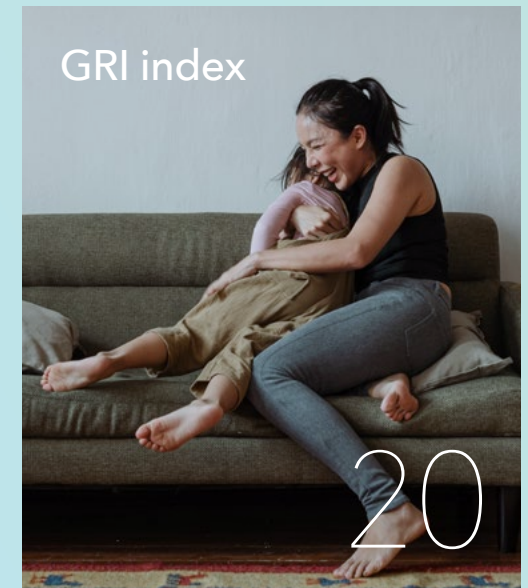




Sustainability Report  
2020

# Contents

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## CEO message

Genworth is committed to operating our business in a sustainable and responsible manner. In 2020, this commitment underpinned our response to COVID-19 where we prioritised support for borrowers in need, our people and customers, whilst continuing to assist the broader community and minimise our environmental impact.

Genworth has been helping Australians on their home ownership journey for over 50 years. By partnering with home mortgage lenders to share lending risk, we enable thousands of Australians to build financial security through the purchase of homes and investment properties.

We are proud that our business contributes positively to the fabric of Australian society and the stability of the financial services industry. In addition, we have broadened our contribution by supporting charities whose service delivery helps to address social issues such as homelessness. Through the provision of our products and services, we also seek to minimise our impact on the environment.

Genworth's approach to sustainability is structured around four pillars that highlight the areas that are the most material to our business and of greatest relevance to our stakeholders.

In 2020, we continued to have a positive impact in these focus areas:

**Our people:** We supported our people to enable them to work remotely through most of 2020 and manage the increased challenges of balancing work with family responsibilities. We introduced a range of new communication initiatives to engage and inform employees, provided training and support in managing mental health, and offered an additional two weeks personal leave to assist with any COVID-19 related illness and carer responsibilities.

Our commitment to diversity and inclusion was again acknowledged in 2020. The Workplace Gender Equality Agency (WGEA) recognised Genworth as an Employer of Choice, and we are proudly a Diversity Council Australia Inclusive Employer.

**Community:** We supported charitable programs run by St Vincent de Paul, Youth Off the Streets and OzHarvest. Through this support, other donations and workplace giving, Genworth contributed over \$170,000 to the community during the year.

In 2020, we continued to assist our lender customers and brokers to educate borrowers about the home ownership journey. We refreshed our online educational tools and published the 6th edition of 'Its My Home' magazine.

**Environment:** We reduced our energy, water and waste usage in 2020 as our employees moved to remote working during March, with indirect emissions falling by more than 30% on a 2018 baseline.

We progressed our understanding of the physical and transitional risks associated with climate change, and we also added Environmental, Social, and Corporate Governance (ESG) considerations into our investment policy and underlying investment mandates.

**Marketplace:** We wrote over 75,000 new Lenders Mortgage Insurance (LMI) policies during the year, enabling more Australians to purchase homes. We also launched a successful pilot of our monthly premium LMI product, which helps borrowers by providing an alternative to an up-front premium.

In response to COVID-19, we quickly adjusted our disaster and hardship policies and delegations to ensure rapid support could be provided to our customers and we extended home loan payment deferrals for up to 10 months with our lender customers.

I would like to thank our people, customers, shareholders and partners for your support during a challenging year. I look forward to keeping you updated about Genworth's ongoing commitment to sustainability.

**Pauline Blight-Johnston**  
Chief Executive Officer and Managing Director



# 2020 highlights

## ► OUR PEOPLE

# 44%

FEMALES IN SENIOR MANAGEMENT



EMPLOYER AWARDS

### WGEA Employer of Choice Award 2020/21



### Diversity Council Australia Inclusive Employer



## ► COMMUNITY

GRANTS, DONATIONS AND WORKPLACE GIVING

# \$170,000+



ONGOING BORROWER EDUCATION

### Edition #6 of 'It's my home' magazine



## ► ENVIRONMENT

INVESTMENT MANDATE

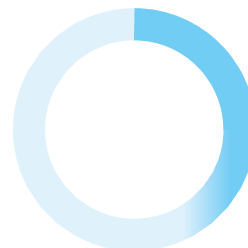
### Completed ESG review



INDIRECT EMISSIONS

# > 30% ▼

on a 2018 baseline

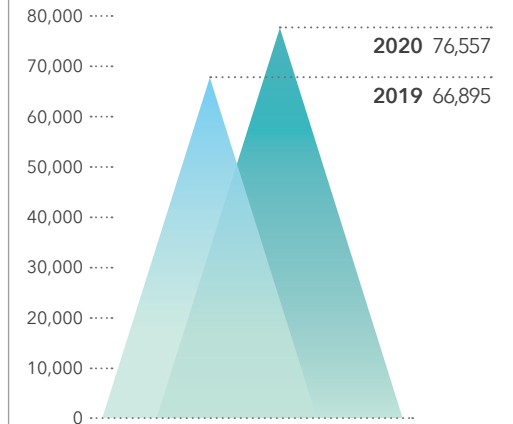


## ► MARKETPLACE

LMI POLICIES ISSUED

# 76,557

Number of policies



HOME LOAN REPAYMENT DEFERRALS

# 56,630



## Sustainability pillars

Genworth is committed to making a positive contribution to the social, economic and environmental wellbeing of the communities that we are part of.

Our commitment is embedded in an approach to sustainability that supports our business strategy and delivers long term value for our stakeholders and the Australian community.

Our approach is encapsulated in a Sustainability Framework that is structured around four key pillars - our people, community, environment and marketplace. These pillars reflect the areas that are the most material to our business and of greatest relevance to our stakeholders. In 2020, we continued to deliver initiatives that supported this Framework as detailed within this Sustainability Report.

### GENWORTH SUSTAINABILITY FRAMEWORK

#### Our people



Workplace safety  
& wellbeing



Training &  
development



Culture



Diversity &  
inclusion

#### Community



Supporting  
home buyers



Borrower  
education



Charitable  
donations



Volunteering

#### Environment



Energy  
consumption



GHG emissions



Waste  
management



Water  
consumption

#### Marketplace



Direct economic  
value generated



Responsible  
lending



Facilitating  
competition



Supporting innovation  
& collaboration

# Our people

Genworth’s people are the foundation of our success. We are committed to providing a work environment where our people feel safe, empowered and included, within in a collaborative and customer-focused culture.

As at 31 December 2020, Genworth directly employed 196 people, comprising a total headcount of permanent employees, fixed term contractors and interns. We recognise that the passion, expertise and dedication of our employees are critical to delivering great outcomes for our stakeholders. In 2020, we continued to implement initiatives to create a work environment that enables our people to perform at their best, and to attract additional new talent to our company.

### Health, safety and wellbeing

The health, safety and wellbeing of our employees is our top priority. Our Workplace Health and Safety (WHS) Committee implements and monitors policies, programs, and practices that address the health and safety of our people. In addition to meeting our obligations, we also create wellbeing opportunities for our people that leave them healthier and better placed to pursue a balanced lifestyle.

Some of the health and wellbeing benefits that we provide to our people include salary continuance, life insurance and disability cover, flu vaccinations

and free access to financial planners. In addition, Genworth offers flexible working practices to support work-life balance.

### Learning and development

Genworth is committed to supporting our people to build the capabilities they need for success in their current and future roles. This includes providing access to a range of learning and development opportunities such as higher education assistance, skills training courses and workshops, online learning, mentoring, and peer and manager coaching. We also run programs that support the development of future leaders, and specialised programs for emerging female leaders.

### Leading into the Future Program

In 2020, we continued our successful future leadership development program. A small group of our senior people were selected to participate in a 12-month training course to grow into influential leaders. A key goal of this program is to create an inclusive culture at Genworth where all voices and perspectives can be heard.

### Women in leadership program

Four female employees attended our Emerging Leaders Program in 2020. The program focuses on early to mid-career professional women currently preparing for their first or second leadership role. The course equips them with leadership tools around personal branding, courageous conversations, and growing your network. The program helps the participants to understand their strengths, build greater confidence and get clarity on their leadership style and vision.



FEMALES IN SENIOR MANAGEMENT



44%



WGEA EMPLOYER OF CHOICE 2020/21



DIVERSITY COUNCIL AUSTRALIA INCLUSIVE EMPLOYER





## ► OUR PEOPLE CONT.

### Mentoring platform

Over the year, we re-energized our employee mentoring program. This program is designed to create opportunities for our people to partner with colleagues who have different roles and experiences, to support them in achieving their career development and personal growth goals.

### Culture

We are committed to ensuring that our company culture makes Genworth a great place to work, and that it inspires our people to deliver on our strategy to create long-term and sustainable growth.

In 2020, we conducted two employee pulse surveys to measure our progress on people's engagement at work, our Company's agility in responding to our environment and people's alignment to our business strategy and our workplace culture. The results revealed that the vast majority of our people are proud to work for Genworth and would recommend Genworth as a great place to work.

In addition, feedback showed that our leaders and people managers ensured that their teams stayed connected in the challenging COVID-19 environment, and they were very supportive of helping others succeed in their roles.

### Diversity and inclusion

Genworth values diverse perspectives and the contribution of people from different backgrounds and experiences.

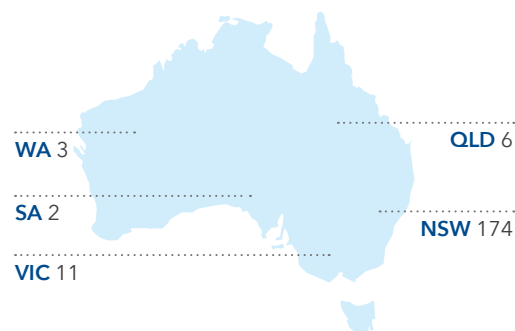
Once again in 2020, we were recognised by the Workplace Gender Equality Agency (WGEA) as an Employer of Choice for Gender Equality. This is the sixth consecutive year we have received this acknowledgement from the WGEA. It is a proud achievement that demonstrates our continued commitment to gender equality and an inclusive workplace.

Genworth's CEO, Pauline Blight-Johnston was appointed as a Pay Equity Ambassador for the WGEA in 2020. Following this appointment, we launched a Gender Pay Gap campaign sharing information about the gender pay gap and what Genworth does to support equal pay.

Our leadership demonstrates our commitment to gender diversity by participating in external programs. Genworth Chairman Ian MacDonald is a member of the 30% Club, a global campaign designed to accelerate progress towards better gender balance at all levels of organisations. As a member of this club, he has made a public commitment to gender diversity as a business imperative.

Genworth was named an inclusive employer by the Diversity Council Australia based on our results from the Inclusion@YourWork survey. This achievement is a further testament to our collective willingness to create an environment in which people can bring their full selves to work and be supported to perform at their best.

### DISTRIBUTION OF EMPLOYEES



### Our people at a glance

Employees	196
Female representation on the board	33%
Female representation in senior management	44%
Gender split (female:male)	47%
Return from parental leave	100%

### Health and safety statistics

	2020
Lost Time Injury Frequency Rate (LTIFR)	2.58
Number of high-consequence work-related injuries	0
Fatalities	0
Number of lost-time injuries	2



## Community



Supporting  
home buyers



Borrower  
education



Charitable  
donations



Volunteering

We are committed to supporting Australians on their home ownership journey and to helping charitable groups deliver services that address homelessness.

We acknowledge our responsibility to Australian society and our contribution to the communities we are part of. In 2020, Genworth continued to support homebuyers and the community through:

- ▶ helping Australians enter the property market sooner, through the risk and capital management solutions we provide to our lender customers;
- ▶ assisting borrowers during times of financial stress to stay in their homes via our loss mitigation services and hardship programs;
- ▶ homebuyer education, such as online tools and information, and 'It's My Home' magazine; and
- ▶ contributing to charitable programs that address homelessness.

Whilst COVID-19 meant that in 2020 our employees were unable to directly volunteer their time to help charitable causes, we continued to give back to the community by donating to St Vincent de Paul, Youth off the Streets, and OzHarvest. We also maintained a matched workplace giving program for our people to personally donate to our community partners. Genworth also facilitated charity donations that commemorate the 10, 15 and 20-year work anniversaries of our people.

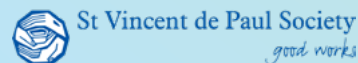
We believe it is important to assist our lender customers and brokers to provide information to borrowers that promotes transparency around LMI and enables borrowers to make informed and responsible home ownership decisions. During 2020, we maintained our educational tools and learning modules, which are available on our website, to help educate borrowers about LMI.

### 2020 CHARITY PARTNERS



#### Youth off the Streets

Youth off the Streets (YOTS) assists young people facing challenges such as homelessness, drug and alcohol dependency, exclusion from school, mental health issues, poverty and isolation. In 2020, Genworth provided a grant for "Living Skills" workshops which aim to equip homeless youth to maintain tenancy and live independently, and "Feel Good Nights" which aim to build a sense of belonging and community.



#### St Vincent De Paul Society

Genworth has been a community partner of the St Vincent de Paul Society (Vinnies) since 2012. Vinnies focuses on addressing social justice issues such as homelessness and poverty. In 2020, we provided a grant to support the V4you (Vinnies for you) Program which is designed specifically for families, children and young people who are experiencing homelessness and disadvantage.

### COMMUNITY SUPPORT


**\$170,000+**

### 'IT'S MY HOME' MAGAZINE

In 2020, we published the 6th edition of 'It's My Home' magazine, a tool filled with useful information for home buyers that makes it easier to understand the home ownership journey. The magazine includes articles that explain topics such as the costs involved with buying a property, it debunks home-buying myths, provides advice from real estate agents, and includes checklists to help with property inspections.

The magazine is released each year to support our lender customers to engage with their own customers. It explains how LMI can help people to purchase their own homes sooner, enabling more Australians to realise the dream of home ownership.



## Environment



Energy  
consumption



GHG emissions



Waste  
management



Water  
consumption

### Genworth recognises the importance of minimising the environmental impact of our business.

Each year Genworth completes a materiality review of our environmental impact. For the purposes of this Sustainability Report, we have identified energy consumption and greenhouse gas emissions (GHG) as the areas where we can best mitigate our impact, and have also highlighted water consumption and waste management as areas that we inherently rely on to run our offices. Our reporting processes are continuously reviewed to ensure we accurately measure our environmental footprint.

In 2020 our environmental performance was positively impacted by COVID-19 lock-downs which resulted in the majority of our staff working from home for an extended period.

#### Energy consumption

Our energy consumption is limited to purchased electricity and, consistent with prior years, we have collected data on actual electricity consumption across our three offices. We receive monthly utility bills and consumption reports directly from our utility providers.

Our head office sits within a 5 Star Green Star rated and NABERS energy 5 Star rated office building, 101 Miller Street, North Sydney, NSW.

#### Measuring greenhouse gas emissions

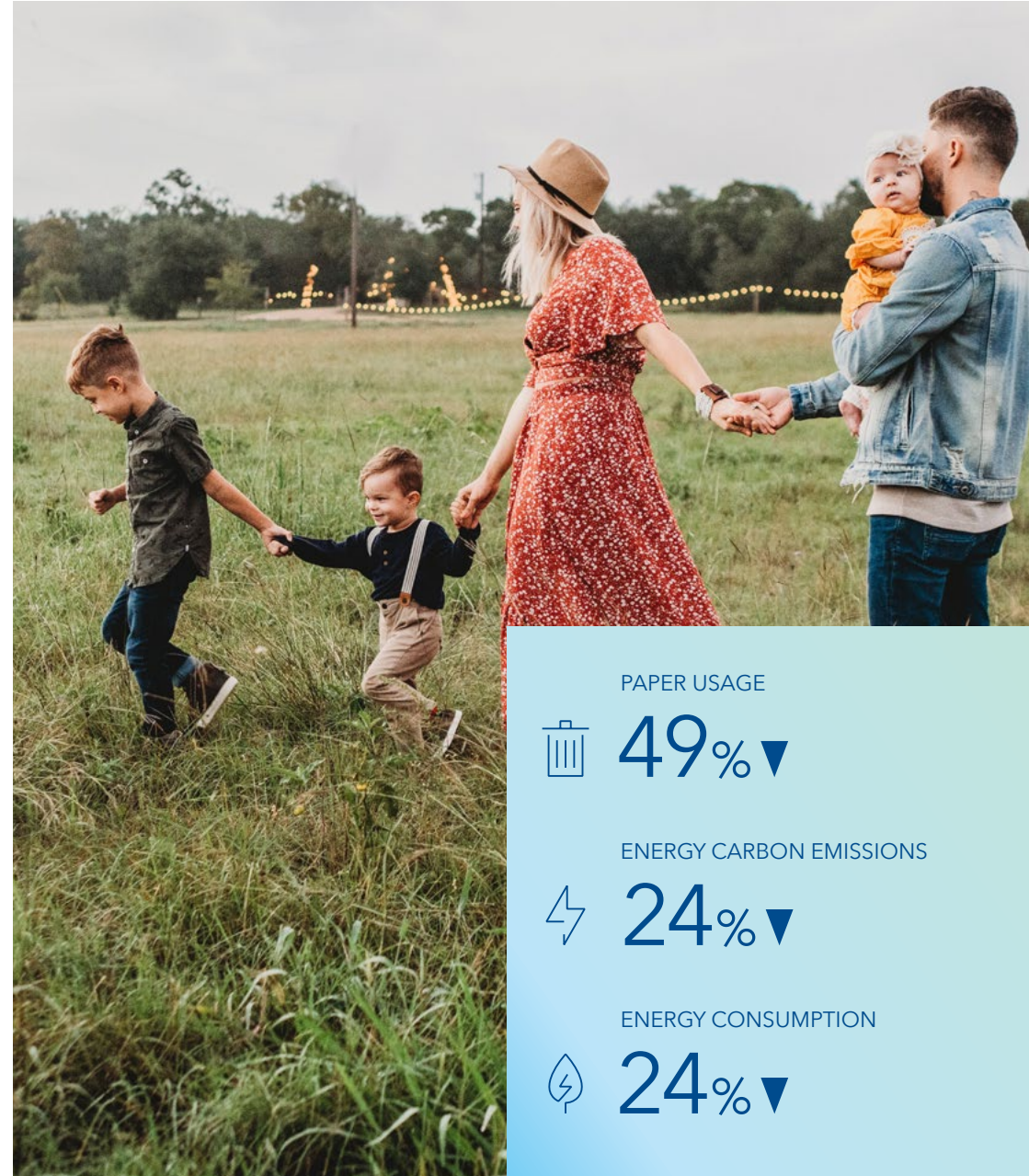
Our GHG emissions are categorised as direct (Scope 1), indirect (Scope 2) and other indirect (Scope 3) emissions. The focus of the GHG inventory is on Scope 1 and Scope 2 emissions. Our head office does not use natural gas on site, significantly reducing our GHG emissions.

#### Water consumption

We are cognisant of the need to minimise water usage, and we continuously work with our landlords to better understand and monitor our consumption.

#### Waste management

We are committed to reducing our waste generated wherever possible through initiatives and policies to recycle, re-use and carefully select materials and products. We measure our results by calculating waste generation and the volume of recycling in our offices.



PAPER USAGE



49% ▼

ENERGY CARBON EMISSIONS



24% ▼

ENERGY CONSUMPTION



24% ▼



► ENVIRONMENT CONT.

### Understanding our climate related risks

As a financial institution that provides LMI to lender customers, we are constantly looking at the trends that may threaten the financial sustainability of our business. We understand that the risks associated with a changing climate are far reaching and may impact on various parts of the economy.

Recommendations from frameworks such as the Task Force on Climate-related Financial Disclosure (TCFD) and the ASX Corporate Governance Principles and Recommendations (Recommendation 7.4) suggest that companies should mobilise to better understand all economic, environmental and social sustainability risks that may be material to their organisation. Genworth has established a Project Celsius working group to develop an understanding of the physical and transitional risks associated with climate change, and how they may impact our business.

As part of Genworth's journey to identify and mitigate climate change related risks in relation to its investment portfolio, management engaged Mercer Australia to support it in developing its approach to ESG integration, with a particular focus on climate change. Following this review we revised our investment philosophy and policy to include the consideration of material ESG risks in the investment decision process for our investment mandates.

TCFD Focus area	Strategy
Governance	Genworth's existing governance processes cover climate related risks. The Board is ultimately responsible for all risk, and the Project Celsius Working Group provides regular updates to the Risk Committee and management on its progress towards understanding climate-related risk.
Strategy	Genworth's approach towards disclosure is to understand the climate-related risks that impact prospective business and the current portfolio, reduce our operational environmental impact and, integrate our sustainability and climate change risk reporting into our Annual Report. This work also involves: <ul style="list-style-type: none"> <li>► Framing our research to better understand the true impact of climate change on liability risk;</li> <li>► Develop options for future strategies to mitigate risk, including broadening data sources.</li> </ul>
Risk management	Annual reviews of the Risk Management Framework help us to consider various matters such as the framework's effectiveness in managing risk, the alignment of Genworth's strategy and risk appetite, the risk culture of the organisation, the appropriateness of policies that identify risks and controls, risk-related reporting and how remediation recommendations are actioned. Each of these components were covered as part of the 2020 annual review process.  Genworth has commenced work to understand the impact of physical climate change on our insurance portfolio and how we may need to manage and mitigate this risk class. This work will also help inform the materiality of climate change risk on the portfolio.
Metrics and targets	Genworth discloses carbon, water and waste-related metrics each year to understand our own performance and any opportunity for mitigation. Genworth's work on physical climate risk will allow us to confirm and report on climate concentrations in relation to our policies in-force and overlay that with existing reporting across various portfolio performance metrics.



► ENVIRONMENT CONT.

### Environmental performance

Direct and indirect emissions (Scope 1 & 2) by source

Location	GHG emissions MT CO <sub>2</sub> -e		Contribution of Scope 1 & 2 (%)	Change (%)
	2019	2020		
<b>Purchased electricity</b>				
Sydney	159.9	123.8	94.0%	(22.6%)
Melbourne	9.8	4.7	3.6%	(52.0%)
Brisbane	4.4	3.2	2.4%	(27.3%)
<b>Total</b>	<b>174.1</b>	<b>131.7</b>	<b>100%</b>	<b>(24.4%)</b>

Note: Genworth does not consume any natural gas, LPG or diesel, which is why they are excluded from this table.

Direct energy consumption by primary source

Note: No natural gas, LPG, diesel or oil consumption in 2019 or 2020. No LPG, diesel or oil sources in 2019.

Indirect energy consumption

Location	2019	2020	Contribution (%)	Change (%)
	Total GJ	Total GJ		
<b>Non-renewable sources (electricity)</b>				
Sydney	710.5	550.2	94.6%	(22.6%)
Melbourne	34.7	17.4	3.0%	(50.0%)
Brisbane	19.6	14.2	2.4%	(27.8%)
<b>Total</b>	<b>764.9</b>	<b>581.7</b>	<b>100%</b>	<b>(23.9%)</b>

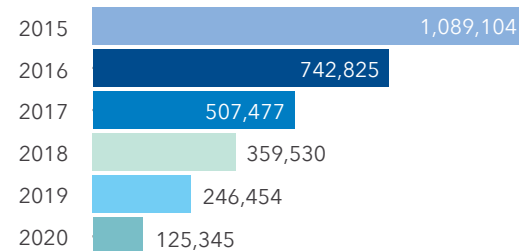
Note: No renewable indirect energy sources were used in 2019 or 2020, which is why renewable sources are excluded in this table. Due to rounding, some totals may not correspond with the sum of the separate figures.

Water consumption by office

Genworth office	2019	2020	Contribution (%)	Change (%)
	Total water consumption (m3/year)	Total water consumption (m3/year)		
Sydney	3,453.5	1,606.0	96.6%	(53.5%)
Melbourne <sup>1</sup>	222.8	N/A	N/A	N/A
Brisbane	69.1	56.6	3.4%	(18.1%)
<b>Total</b>	<b>3,745.4</b>	<b>1,662.6</b>	<b>100%</b>	<b>(55.6%)</b>

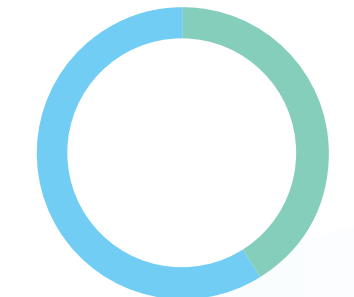
1. Data for Melbourne was not provided to Genworth, therefore no like-for-like comparison is available.

Reduction in paper usage  
(pages used)



Solid waste and recycling generation by office

Sydney (tonnes/year)



Recycling 17.2  
Municipal solid waste 24.5



## Marketplace



Direct economic  
value generated



Responsible  
lending



Facilitating  
competition



Supporting innovation  
& collaboration

### Genworth works with our lender customers, regulators and policy leaders to promote a more accessible, stronger and sustainable housing market in Australia.

Genworth provides capital support, reduces risk exposures and delivers underwriting and loss mitigation services that help our lender customers maintain quality residential lending standards.

Our insurance policies protect lender customers against the risk of financial loss in the event of default by a borrower/home buyer. Our LMI offering is typically taken out by our lender customers to cover 100% of the risk of loss on high loan to value ratio (HLVR) loans. Our policies assist lender customers to manage the risk of significant future losses, including from catastrophic economic events or scenarios. By facilitating a greater spread of risk and diversification of lenders' exposures, we help support the financial stability of the Australian market.

As at 31 December 2020, Genworth facilitated 76,557 home loans through policies written during the year, valued at \$31.6 billion. Of the insurance-in-force we had in place, the vast majority related to owner-occupied home loans as indicated in the graphics on the next page.

We maintained a regulatory capital base of \$1.6 billion and the Company's cash and investment portfolio had a market value of \$3.4 billion (of which more than 80% was held in cash and highly rated fixed interest securities). We have \$800 million of reinsurance in place providing Genworth a claims paying ability of \$4.2 billion. The Company's credit ratings reflect the financial strength of Genworth and demonstrate to our stakeholders this claims paying ability.

As at 31 December 2020, Standard & Poor's Ratings Services (S&P) rated Genworth Financial Mortgage Insurance Limited's insurer financial strength as 'A' with a negative outlook. The Fitch Ratings was 'A' with a negative outlook.

Genworth has commercial relationships with over 50 lender customers. We take pride in our strong and long-standing relationships with a range of lenders across Australia, including; major banks, non-major banks, mutual banks, building societies, credit unions and non-bank lenders.

Our risk and capital management solutions enable lenders to reduce the amount of risk they carry on their balance sheets and may lower the level of capital they are required to hold against their home loans.

By supporting a range of lenders to operate in the Australian residential mortgage market, Genworth helps promote competition and assists in a greater choice of home lending products being available to home buyers.



VALUE OF INSURED HOME LOANS

 \$31.6b

LMI POLICIES ISSUED

 76,557

HOME LOAN REPAYMENT DEFERRALS

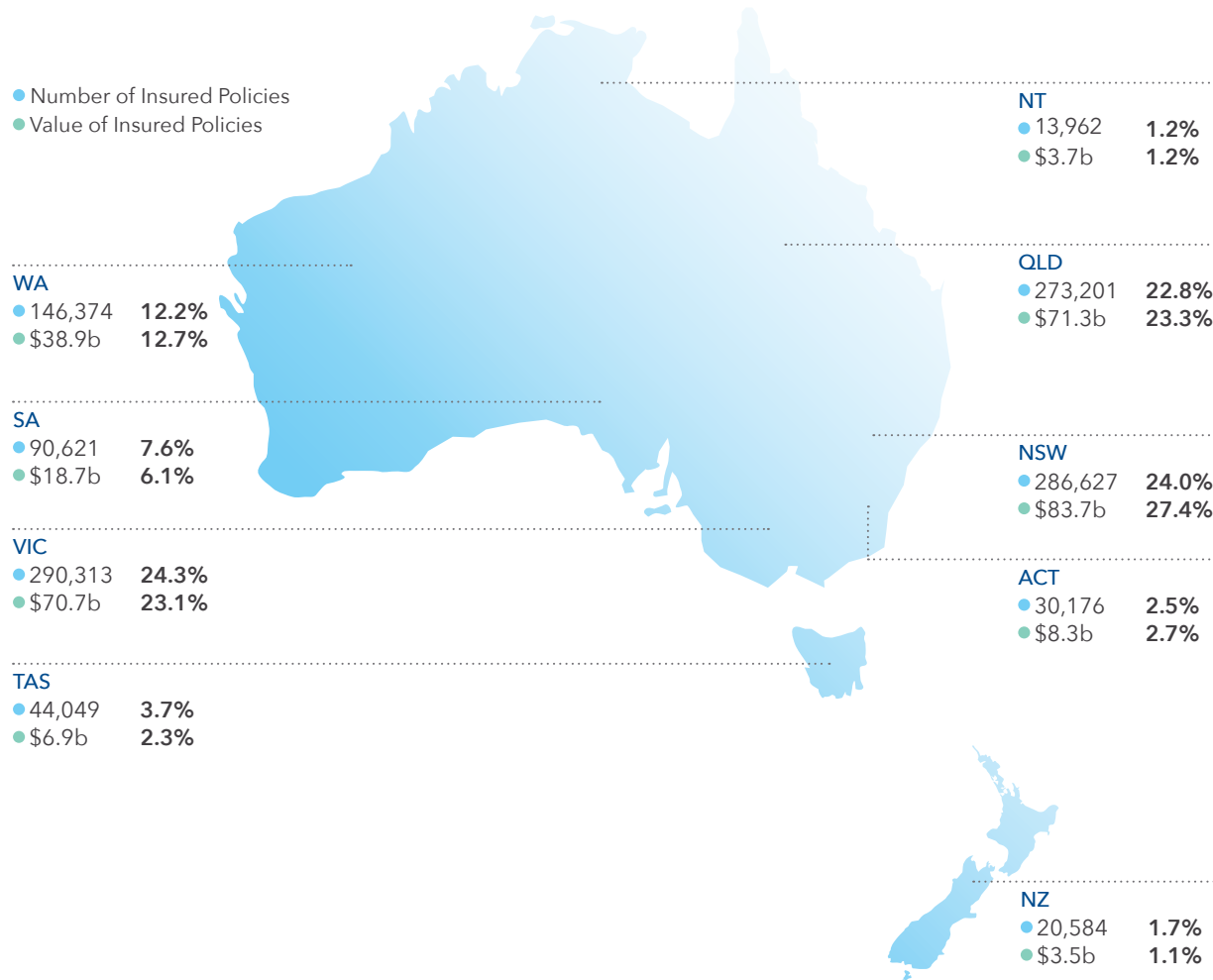
 56,630



▶ MARKETPLACE CONT.

Portfolio of insured home loans

(31 December 2020)



Insured loans in-force<sup>1</sup>

1,195,907

Insurance in-force by home loan type and value<sup>2</sup>



Value of Insured Policies 31 December 2020

Owner Occupier + Principal & Interest	\$193.0b	63%
Owner Occupier + Interest Only	\$27.7b	9%
Investor + Principal & Interest	\$32.0b	10%
Investor + Interest Only	\$31.6b	11%
OTHER	\$21.4b	7%

1. Number of insured loans in-force at 31 December 2020

2. Value of insurance in-force at 31 December 2020



► MARKETPLACE CONT.

### Monthly premium LMI

In 2020, we piloted our monthly premium LMI product. This first-to-market product offering helps borrowers by providing an alternative to the up-front premium, and it rewards borrowers who pay down their mortgage faster. The monthly premium product also reduces barriers to refinancing in the Australian market. Without an upfront premium, borrowers are able to refinance and change lenders without adding a new up-front premium to the cost of the refinance.

Genworth is proud to help Australians achieve their dream of home ownership. This monthly payment option is one more way that Genworth assists people into homes sooner.

### Direct economic value generated by Genworth (\$'000)

Revenue		476,872
<b>Direct economic value distributed</b>		
Operating Costs	(12,912)	
Employee wages and Benefits	(48,252)	
<b>Payments direct to government:</b>		
Australian entities	(23,421)	
Payments to Providers of Capital	(43,129)	
Total economic value distributed		(127,714)
Direct Economic Value Retained		349,158

GRI methodology applied: figures differ materially from International Financial Reporting Standards and cannot be compared to or provide any accurate indication of GMA's profitability as reported in its statutory accounts as at 31 December 2020.

### Data security

As providers of LMI we are recipients of a wide range of personal information. To ensure that we manage the risks associated with holding personal data, our IT information security controls are aligned to relevant industry frameworks and are continuously reviewed.

As a significant stakeholder within a chain of sophisticated financial processes, it is critical that Genworth maintains good business governance and data management processes to strengthen our privacy and confidentiality procedures. Our Privacy Policy outlines which information we hold, how we collect it and information on how our lender customers can reach us.

With the rapidly increasing incidence of digitisation and cybercrime, we are well equipped to manage the increased risk of privacy breaches and cybercrime. We operate tight controls over the movement of information from the Genworth technology environment, through rigorous access controls on devices and monitoring the movement of information through email and other means, such as file-sharing services. We continue to build awareness and test our people's knowledge of cyber controls and their responsibilities in adhering to our company policies and procedures.

## Our business

We help more Australians into home ownership by providing capital management and risk management solutions to lenders in the Australian residential mortgage market.



Genworth has been a leading provider of Lenders Mortgage Insurance (LMI) in Australia for over 50 years. LMI is our primary business activity, and it supports residential mortgage lending by transferring risk from lenders to LMI providers, predominantly for high loan-to-value ratio (HLVR) residential mortgage loans.

Genworth is an Australian company with over 50 lender customers, including major financial institutions. We believe that the provision of LMI to lender customers has contributed to comparatively high levels of home ownership in Australia, by facilitating residential mortgage loan accessibility and supporting the strength and stability of the financial system.

Genworth's strategic focus over recent years has been to enhance our core business model by helping more Australians to purchase homes and remain in their homes during difficult times. In 2020, Genworth delivered a successful pilot of our first in market, monthly premium LMI product that complements our traditional upfront LMI products of Standard LMI, Homebuyer Plus and Business Select.

Headquartered in Sydney, Genworth is listed on the Australian Securities Exchange (ASX: GMA). In the 2020 reporting period, Genworth provided LMI under authorisation from the Australian Prudential Regulation Authority (APRA).

### Our values

Our values underpin how we interact with each other, how we interact with our customers and how we build a brand that truly reflects the character of our business.

- ▶ **Act with integrity**  
have courage. do what's right.
- ▶ **Rethink the everyday**  
experiment. embrace change. adapt.
- ▶ **One team**  
work together. deliver on our commitments.
- ▶ **Own it**  
be accountable. plan. get it done.
- ▶ **Focus on your customer**  
listen. be relevant. be flexible.



## Responding to COVID-19

In a challenging year affected by COVID-19, Genworth did not hesitate to support Australians in their time of need. We worked closely with our lender customers and suppliers to assist borrowers; we protected our people and supported the community.

Genworth responded quickly to the onset of COVID-19, taking actions to decisively and prudently manage our business through an unprecedented year. Highlights of our response are provided below, with more detail available in the 2020 Annual Report.

### Looking after our people

Genworth's people successfully transitioned to working remotely during March 2020, and we operated a mixture of remote and in-office activity for the remainder of the year, in accordance with state government guidelines.

Supporting remote working involved providing the appropriate equipment and IT access for our people to use at home, but importantly we also increased communication and mental health support so that we remained connected and able to manage the challenges of this unprecedented year.

Our employee survey results reported a very high level of satisfaction and confidence in the way our business managed the pandemic and supported employee health and wellbeing.

### Engaging more with customers

We worked closely with our lender customers in a challenging period to support their borrowers. As we were operating in an unprecedented environment, we met more regularly with our lender customers and provided detailed portfolio reporting and insights to them to enhance our understanding of how we could best service their needs.

Through a difficult year, we met all contractual service level agreements with our lender customers, and they have expressed appreciation for our commitment and support.

### Supporting borrowers

In partnership with our lender customers, in 2020 we helped over 63,000 borrowers who were experiencing difficulties, with the vast majority of these affected by COVID-19.

Genworth welcomed and supported the home loan repayment deferral programs and government packages that provided much needed assistance to many Australians. As regulators and our lender customers made changes to assist affected borrowers, we quickly adjusted our disaster and hardship policies and delegations to ensure rapid support could be provided. Genworth redirected our resources to where they were needed the most, to process over 56,000 home loan repayment deferrals, at its peak, over the year.

### Ensuring business continuity

We worked closely with our partners and suppliers to ensure continuity of service to our lender customers, brokers and borrowers. Our suppliers' response to the pandemic underscored our strong relationships and provided us with the flexibility to adjust priorities as the year progressed.

### Supporting the community

We acknowledge that many community groups were impacted directly and indirectly by COVID-19, particularly with the loss of corporate volunteering events which raise much needed funds and awareness. As we were unable to participate in employee volunteering due to COVID-19 restrictions, we reallocated volunteering budgets to make additional donations to our community partners.



## Risk management

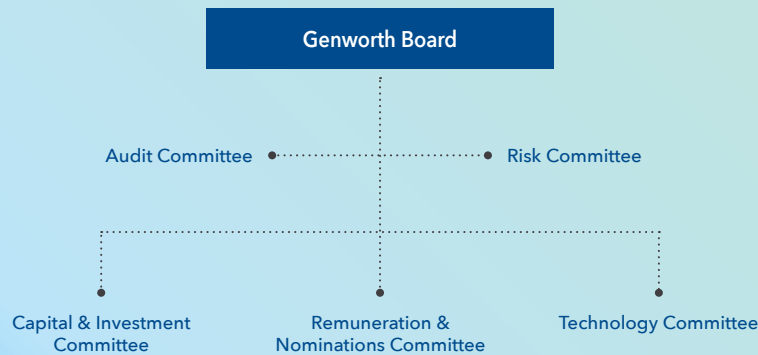
We operate our business prudently and efficiently, following a disciplined approach to risk management.

Genworth is committed to actively identifying, assessing, monitoring and managing all enterprise risks associated with our business activities. The Board and Senior Leadership Team are accountable for our risk culture and ensure we continue to develop and improve practices to measure, assess and manage risk.

Genworth’s risk management framework outlines our approach to managing the risks faced by our company, using a ‘three lines’ approach that clarifies roles and responsibilities within the organisation and assists in ensuring accountability for decisions and risk outcomes.

We have an established Risk Management Framework and Risk Management Strategy in accordance with APRA requirements that ensures effective control systems and risk treatment plans are in place.

The Board has five committees that assist it to oversee and develop Genworth’s corporate governance policies and risk management framework: Audit Committee, Risk Committee, Capital and Investment Committee, Remuneration and Nominations Committee and Technology Committee. Each committee performs an important role in ensuring effective governance structures remain in place.





## Corporate governance

We manage our business responsibly and uphold high standards of corporate governance.



Genworth recognises the need to establish and maintain corporate governance policies and practices that reflect the legislation and prudential requirements of regulators and the expectations of our stakeholders.

Genworth's corporate governance policies and practices are underpinned by our responsibilities as an Australian Securities and Investments Commission (ASIC), Reserve Bank of New Zealand (RBNZ), Bermuda Monetary Authority (BMA) and Australian Prudential Regulation Authority (APRA) regulated and ASX listed entity. Our corporate governance materials are constantly reviewed as regulation and good practice evolved. Key policies, codes of conduct and board committee charters are published on the corporate governance section of our website.

For the calendar year ended 31 December 2020, we published a Corporate Governance Statement that is aligned with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

### Code of conduct

Our Code of Conduct, entitled 'Integrity First', sets out Genworth's commitment to maintaining high levels of integrity and ethical standards in our business practices. The Code of Conduct sets out the standards of behaviour expected of all directors, management and employees. It contains the key information our people must understand in order to comply with applicable laws, follow a consistent approach to key integrity issues and conduct ourselves appropriately.

The Code includes policies on various matters, including conflicts of interest, media commentary, use of Genworth's resources, security of information, intellectual property and copyright, discrimination and harassment, corrupt conduct, occupational health and safety and insider trading. In addition to obligations under the Corporations Act in relation to inside information, all directors, employees and consultants have a duty of confidentiality to Genworth in relation to confidential information they possess.

### Managing our supply chain

We recognise the key role of Genworth and our suppliers in positively contributing to the social, economic and environmental wellbeing of the communities that we are part of. We believe mutual commitments to social and environmental sustainability between Genworth and our suppliers creates sustainable value for all our stakeholders. As well as value creation, having a strong relationship with our suppliers enables us to manage the likelihood of human rights abuses throughout our supply chain, and ensures that we have the information that we need to partner with other companies that are pursuing an ethical economy that maintains the health of people and the environment.

In 2020, Genworth published a Supplier Code of Conduct, intended to foster and maintain relationship with suppliers. Underpinning the Code is a requirement for all suppliers to comply with all local legislation and regulation, including the Modern Slavery Act 2018.



## Stakeholder engagement

We engage regularly with our stakeholders so we can deliver balanced and sustainable outcomes.

### ► Shareholders

Genworth is committed to accurate and timely communication with our shareholders. Our Disclosure Policy outlines how we comply with continuous disclosure obligations in a timely and transparent manner. We publish annually an Annual Report and Corporate Governance Statement. Our Disclosure Policy and Media Relations Policy are available on our website.

#### Frequency of engagement

- Quarterly
- Half year
- Full year

### ► Ratings agencies

Standard & Poor's Ratings and Fitch Ratings provide insurer financial strength credit ratings on Genworth Financial Mortgage Insurance Pty Ltd (GFMI). We meet with representatives from both agencies for an annual management meeting and liaise regularly with them, including when we announce our financial results to the market.

#### Frequency of engagement

- Quarterly

### ► Government

We liaise regularly with the Commonwealth and State Treasuries, as well as other Federal and State government departments and agencies, on policy and programs impacting home buyers.

#### Frequency of engagement

- Adhoc

### ► Home buyers

We engage with home buyers through news, digital and social media and consumer publications. As part of our ongoing commitment to educate borrowers on the home buying process and role of LMI, we produce numerous online tools such as our LMI tool kit, Buy or Rent Calculator, and annual magazine, 'It's My Home'.

#### Frequency of engagement

- Annual
- Adhoc

### ► Our people

Regular communication with employees underpins our culture at Genworth. We engage with our people in a variety of ways, including regular touchpoints between managers and individuals/teams, professional development conversations, quarterly Town Halls, lunch and learn sessions, employee surveys, and social and community events.

#### Frequency of engagement

- Daily
- Weekly
- Quarterly

### ► Community groups

We invest in community programs run by charitable groups and we support community groups through donations and volunteering programs.

#### Frequency of engagement

- Adhoc

### ► Lender customers

We value our strong and collaborative relationships with our lender customers. We seek feedback through our annual customer satisfaction survey, that provides insights into customer experiences and how Genworth can continue to support our lender customers and their borrowers. We also engage with our customers through workshops, industry forums, training sessions, digital media platforms and our originations call centre.

#### Frequency of engagement

- Tailored per customer

### ► Industry bodies

We contribute to discussions regarding issues facing the industry as members of the Insurance Council of Australia (ICA), the Australian Securitisation Forum (ASF), the Customer Owned Banking Association (COBA) and the Mortgage and Finance Association of Australia (MFAA).

#### Frequency of engagement

- Adhoc

### ► Regulators

We engage with regulators openly, candidly and in a timely manner. In complying with legislation and regulations, Genworth has regard to relevant community expectations and standards. Genworth is regulated by APRA, an independent statutory authority that supervises financial institutions across banking, insurance and superannuation and promotes financial system stability in Australia. We regularly meet with APRA supervisory teams throughout the year. Genworth is also regulated by ASIC, RBNZ and the BMA.

#### Frequency of engagement

- Quarterly

### ► Suppliers

We engage with our suppliers throughout the provision of services. After a competitive bidding process, we assess their ability to perform a defined scope of work and their approach to sustainability and the prevention of modern slavery. We undertake risk assessments and reference checks and once a supplier is engaged, we conduct regular business reviews for those identified as higher risk.

We are committed to complying with all necessary laws, regulations, rules and agreements when engaging suppliers and post onboarding, including where there are changes in the regulatory and compliance landscape. A supplier code of conduct for existing and new suppliers ensures Genworth's ongoing compliance with APRA Prudential Standard CPS 220 (Risk Management).

#### Frequency of engagement

- Annual
- Adhoc

### ► Reinsurers

We engage with our reinsurers regularly throughout the year, including annual reinsurers' updates and an annual reinsurance roadshow.

#### Frequency of engagement

- Annual
- Half year

### ► Landlords

We liaise regularly with our Sydney, Melbourne and Brisbane office landlords or their agents regarding our workplaces. We have regular meetings with our Sydney landlord's Resource Recovery Manager, to collaborate on a specific environmental agenda.

#### Frequency of engagement

- Quarterly



## GRI index

GRI standard title	Disclosure	Standard disclosure title	Reference or response
General disclosures	102-14	Statement from senior decision-maker	CEO message ( <a href="#">page 03</a> )
	102-1	Name of the organisation	CEO message ( <a href="#">page 03</a> )
	102-2	Activities, brands, products, and services	Our business ( <a href="#">page 15</a> )
	102-3	Location of headquarters	Corporate directory ( <a href="#">page 23</a> )
	102-4	Location of operations	Our business ( <a href="#">page 15</a> )
	102-5	Ownership and legal form	Our business ( <a href="#">page 15</a> )
	102-6	Markets served	Our business ( <a href="#">page 15</a> )
	102-7	Scale of the organisation	Our people ( <a href="#">page 06</a> ) Our business ( <a href="#">page 15</a> )
	102-8	Information on employees and other workers	Our people ( <a href="#">page 06</a> )
	102-41	% of employees covered by collective bargaining agreements	98% of Genworth Australia employees were covered by collective bargaining agreements
	102-9	Supply Chain	Stakeholder engagement ( <a href="#">page 19</a> )
	102-10	Significant changes to the organisation regarding size, structure, ownership and its supply chain	There were no significant changes to the organisation and its supply chain in 2020
	102-11	Precautionary Principle or approach	Risk management ( <a href="#">page 17</a> ) Corporate governance ( <a href="#">page 18</a> )
	102-12	External developed economic, environmental and social charters	CEO message ( <a href="#">page 03</a> ) Our business ( <a href="#">page 15</a> ) Stakeholder engagement ( <a href="#">page 19</a> )
	102-13	Membership of associations (industry) and national or international advocacy - hold position on governance body; provide funding or views membership as strategic	Stakeholder engagement ( <a href="#">page 19</a> )
	102-45	Entities included in the consolidated financial statements	The Sustainability Report covers all entities included in Genworth's consolidated financial statements
102-46	Defining report content and topic Boundaries	CEO message ( <a href="#">page 03</a> ) Environment ( <a href="#">page 09</a> )	



► GRI INDEX CONT.

GRI standard title	Disclosure	Standard disclosure title	Reference or response
Management approach	102-47	List of material topics	Sustainability pillars ( <a href="#">page 05</a> )
General disclosures	103-1	Explanation of the material topic and its boundary	Sustainability pillars ( <a href="#">page 05</a> )
	102-40	List of stakeholder groups	Stakeholder engagement ( <a href="#">page 19</a> )
	102-42	Identifying and selecting stakeholders	Stakeholder engagement ( <a href="#">page 19</a> )
	102-43	Approach to stakeholder engagement	Stakeholder engagement ( <a href="#">page 19</a> )
	102-44	Key topics and concerns raised	Sustainability pillars ( <a href="#">page 05</a> )
	102-50	Reporting period	2020 calendar year
	102-51	Date of most recent report	March 2020
	102-52	Reporting cycle	CEO message ( <a href="#">page 03</a> )
	102-53	Contact point for questions regarding the report	Corporate directory ( <a href="#">page 23</a> )
	102-54	Claims of reporting a. in accordance with the GRI Standards b. GRI content index for chosen option	This report contains standard disclosures from GRI Sustainability Reporting Guidelines
	102-55	GRI content index	GRI index
	102-56	External assurance	We had GHD perform a review of our Scope 2 greenhouse gas emissions data compilation. In summary, GHD's review confirmed that the Scope 2 emissions estimate appeared appropriate. GHD were able to check to electricity consumption data and the use of appropriate emissions factors.
	102-18	Governance structure	Risk management ( <a href="#">page 17</a> )
102-16	Values, principles, standards, and norms of behaviour	Our people ( <a href="#">page 06</a> ) Risk management ( <a href="#">page 17</a> ) Corporate governance ( <a href="#">page 18</a> )	
Management approach	103-1	Explanation of the material topic and its Boundary	Our people ( <a href="#">page 06</a> ) Community ( <a href="#">page 08</a> )
	103-2	The management approach and its components	Environment ( <a href="#">page 09</a> )
	103-3	Evaluation of the management approach	Marketplace ( <a href="#">page 12</a> )



## ► GRI INDEX CONT.

GRI standard title	Disclosure	Standard disclosure title	Reference or response
Economic performance	201-1	Direct economic value generated and distributed	Marketplace ( <a href="#">page 12</a> )
Energy	302-1	Energy consumption within the organisation	Environment ( <a href="#">page 09</a> )
Water	303-1	Water withdrawal by source	Environment ( <a href="#">page 09</a> )
Emissions	305-1 305-2	Direct (Scope 1) and (Scope 2) GHG emissions	Environment ( <a href="#">page 09</a> )
	305-3	Other indirect (Scope 3) GHG emissions	Scope 3 has been excluded from this report as business-related travel and transport ceased due to COVID-19
Effluents and waste	306-2	Waste by type and disposal method	Environment ( <a href="#">page 09</a> )
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	Not applicable, Genworth has not identified any non-compliance with environmental laws and/or regulations
Employment	401-1	New employee hires and employee turnover	Material employee metrics have been included in the Our people section ( <a href="#">page 06</a> )  There were 27 new hires and 46 departures during the reporting period
Occupational health and safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Our people ( <a href="#">page 06</a> )
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	Our people ( <a href="#">page 06</a> )
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	Community ( <a href="#">page 08</a> )
Socioeconomic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Not applicable, we have not identified any non-compliance with laws and regulations in the social and economic area



## Corporate directory

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